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1 NOW, THEREFORE, in order to protect the interests of consumers of property and
2 casualty insurance products in Arizona, to promote a competitive market place for property and
3 casualty insurance products in Arizona, and to promote the effective and efficient
4 administration of A.R.S. Title 20.

5 IT IS ORDERED, adopting Exhibit A, B and C attached hereto, which shall supersede
6 the Order in Docket No. 03A-144-INS.

7 This Order is effective immediately upon issuance.

8 DATED this _____ day of _____, 2005.

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10 _____
11 CHRISTINA URIAS, DIRECTOR
12 Arizona Department of Insurance
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EXHIBIT A
RATES AND FORMS EXEMPTED FROM THE FILING
REQUIREMENTS OF A.R.S. §§20-385 AND 20-398

Pursuant to A.R.S. §20-385(F), the Director may by order exempt from the requirements of A.R.S. §20-385 any insurance rate, rating class, rating rule or rating program or type, the filing of which in the Director's opinion is not desirable or necessary for the protection of the public.

Pursuant to A.R.S. §20-398(B), the Director may by order exempt from the requirements of A.R.S. §20-398, for as long as he deems appropriate, any insurance form as specified in such order, to which in the Director's opinion the section may not be practicably applied, or the filing or approval of which are not desirable or necessary for the protection of the public.

The exemptions from filing requirements identified in this Order are limited to types of insurance subject to A.R.S. §§ 20-385 (F) and 20-398(B). The rate and form filings of types of insurance subject to other sections of the Arizona Revised Statutes, Title 20, including but not limited to workers' compensation, title, and certain types of credit insurance must be filed with the Department in accordance with the specific statutory requirements applying to them.

- I. The following rates and forms **are exempted from having to be filed** with the Director pursuant to A.R.S. §§ 20-385 (F) and 20-398(B). Notwithstanding that the following do not have to be filed with the Director, all rates and forms must still comply with the applicable standards of A.R.S. §§ 20-383(A) and 20-398(A).
 - A. Commercial Casualty Insurance as defined by A.R.S. § 20-252, except as noted in II below, including, but not limited to: Boiler And Machinery, Employee Benefits Liability, Glass, Crime Insurance, Excess and Umbrella Insurance, Family Leave Insurance -- except if part of credit unemployment insurance is subject to A.R.S. § 20-1609, Products Liability, Directors and Officers, Employment Practices Liability, and Nuclear Insurance Products.
 - B. Marine and Transportation Insurance, as defined by A.R.S. § 20-255, including Inland Marine, Aviation and Ocean Marine Insurance.
 - C. Commercial Property Insurance, as defined by A.R.S. § 20-256, including, but not limited to: Fire And Allied Lines, Business Interruption And Difference In Conditions, Flood Insurance, Federal Crop Multi-Peril Insurance.
 - D. Commercial Fidelity and Surety Insurance, as defined by A.R.S. § 20-257, including, but not limited to, Financial Guaranty Insurance.
 - E. Guaranteed Asset Protection (GAP) Insurance and residual value filings.
 - F. Forms or rates issued by a Risk Retention Group or by any other insurer solely to a Purchasing Group.
 - G. Commercial Automobile Insurance.
 - H. Consent to Rate risks, as described by A.R.S. § 20-385(E).
 - I. Businessowners Insurance rates, except as noted in II (I) below, and forms.
 - J. Any combination of the foregoing exempt rates and forms, except rates and forms which include nonexempt coverage.
 - K. Commercial Multiple Peril Insurance, except as noted below in II(J).
 - L. Dwelling Fire Insurance

- M. Recreational Vehicle, Personal Watercraft, Motor Home and Travel Trailer Insurance.
 - N. Personal Umbrella Insurance
 - O. Comprehensive Personal Liability Insurance.
 - P. Mortgage Guaranty Insurance as defined by A.R.S. §20-1541(4).
 - Q. Adoption or delay of adoption of rate service organization's loss costs, rates, rules or forms for lines of insurance exempted by this order.
- II. Notwithstanding the exemptions listed in I above, the following insurance company rates and forms **are not exempt** from the filing requirements of A.R.S. §§ 20-385 (A) and 398(A).
- A. All policy rates and forms developed by a rate service organization, as defined in A.R.S. § 20-381(6) or by an advisory organization as defined in A.R.S. § 20-381(1).
 - B. Rates and forms of an insurer possessing an Arizona Certificate of Authority less than two (2) years.
 - C. Rates and forms of any insurer the Director has expressly directed to comply with the requirements of A.R.S., Title 20, Chapter 2, Article 4.1, notwithstanding the exemptions set forth in paragraphs I and II of this Order.
 - D. Rates and forms of any Residual Market Mechanism or Assigned Risk Plan.
 - E. Personal insurance rates and forms and all amendments and endorsements for rates and forms applicable to homeowners, mobile homeowners, tenants, condominiums, personal automobiles, non-owned automobiles and uninsured and underinsured motorists.
 - F. Professional liability insurance issued to "health professionals" as defined in A.R.S. § 32-3201, including Medical Malpractice Insurance.
 - G. Provider Reimbursement Policies intended to insure capitated medical providers for nonreimbursed expenses incurred in connection with the treatment of members.
 - H. Crop Hail Insurance other than the Multiple Peril Crop Insurance Program.
 - I. Businessowners Policies involving rate decreases of -10% or more.
 - J. Commercial Multiple Peril Insurance issued to hospitals, Health Maintenance Organizations, Preferred Provider Organizations and other Health Care Centers or Service Organizations.
 - K. Nursing Home Liability, which means, for purposes of this document, liability insurance sold to any of the following facilities, whether or not for profit:
 - Skilled or Intermediate Care Facilities;
 - Assisted Living Facilities With On Premises Care;
 - Rest Homes with Health Care;
 - Personal Care Facilities or Residential Homes with Skilled Care or Other Health Care including Adult Foster Homes;
 - Convalescent Homes With Continuous Nursing or Other Medical Care;
 - Continuing Care Retirement Communities With a Nursing Home on Campus; and/or
 - Any Other Adult Extended Care Facility That Provides Nursing or Other Medical Care.
 - L. Non-Adoption Of A Rate Service Organizations Loss Costs, Rates, Rules, Or Forms.

EXHIBIT B
EXEMPT POLICIES PURSUANT TO A.R.S. §20-1671(12)

The following are exempted from having to comply with all of the provisions of Article 14, Chapter 6, Title 20, Arizona Revised Statutes relating to cancellation or non-renewal of commercial insurance:

1. Binders or other contracts for temporary insurance made either orally or in writing. As used herein, the term “binder” means contracts for temporary insurance which do not expressly set forth all the usual terms of a policy of insurance. The term “binder” also includes applications of insurance.
2. Policies that offer retrospective rating plans.
3. Medical malpractice policies.
4. Fidelity and surety insurance policies.
5. Multiple peril crop insurance policies.
6. Crop hail insurance policies.
7. Policies issued by a Risk Retention Group or by any other insurer solely to a Risk Purchasing Group.
8. Policies as issued to an industrial insured as defined in A.R.S. §20-401.07.
9. Mechanical reimbursement insurance issued to a motor vehicle dealer.
10. Pet insurance policies.
11. Credit insurance policies including, but not limited to the following:
 - a. Family Leave Policies intended to provide loss of income coverage on a monthly outstanding balance basis to be issued in conjunction with a credit card to insure a creditor's debtors.
 - b. Credit unemployment insurance policies.
 - c. Credit Property Policies.
12. Guaranteed asset protection (GAP) policies.

The following are exempted from having to comply with A.R.S. §20-1674(B) if they otherwise comply with the provisions of Article 14, Chapter 6, Title 20, Arizona Revised Statutes:

1. Policies subject to audit which contain provisions substantially similar to A.R.S. §§20-1672, 20-1673, 20-1674(A), 20-1676 and 20-1677.

EXHIBIT C

The Surplus Lines Export List

CODE AH: Accident And Health

1. Accidental Death (High Limits)
2. Air Crew Personal Accident
3. Athletes, Celebrities, And Show Business Personalities
4. Aviation Accident
5. Jockeys

CODE AL: Automobile Liability

1. Ambulance Service
2. Bus Or Livery
3. Butane, Propane Hauling
4. Drive Away (Affords Coverage For The Pick Up Or Delivery Of Vehicles To Or From A Point Greater Than 50 Miles From The Dealership)
5. Driving School
6. Excess Limits
7. Explosive Hauling
8. Garbage/Refuse Trucks
9. Go Carts/Midget Autos
10. Heavy Equipment Dealers
11. Long Haul Trucking
12. Vehicles Registered in Mexico
13. Monoline Hired/Non-Owned Automobile
14. New Ventures
15. Racing Events
16. Sand/Gravel Haulers
17. Taxicabs
18. Used Car Dealers
19. Wrecking Companies And Wreckers, Towing Companies And Tow Trucks, Or Repossession Operations

CODE AP: Automobile Physical Damage

1. Antique Or Classic Automobiles
2. Automobile Rental - Short Term
3. Butane, Propane Hauling
4. Drive Away (Affords Coverage For The Pick Up Or Delivery Of Vehicles To Or From A Point Greater Than 50 Miles From The Dealership)
5. Go Carts/Midget Autos
6. Heavy Equipment Dealers
7. Leased Motor Homes
8. Long Haul Truck And Trailers
9. Vehicles Registered in Mexico
10. New Ventures
11. Racing Events
12. Used Car Dealers

EXHIBIT C

The Surplus Lines Export List

CODE AVL: Aviation Liability

1. Air Ambulance
2. Air Meet And Special Events Liability
3. Antique Aircraft
4. Balloon - Hot Air And Gas
5. Charter Service
6. Chemical Spray And/Or Drift
7. Excess Limits
8. Experimental Aircraft
9. Fixed Base Operations (Total Aircraft Site Operations Including, But Not Limited To: Airfield; Hangar; And Aircraft Sales, Rentals, Storage, Fueling, Servicing, And Instruction.)
10. Hangar Keepers Legal Liability
11. Helicopters
12. Hijacking
13. Parachute Club And Skydiving
14. Slung Cargo Liability

CODE AVPD: Aircraft Physical Damage

1. Antique Aircraft
2. Balloon - Hot Air And Gas
3. Charter Service
4. Chemical Spray And/Or Drift
5. Crop Dusters
6. Excess Limits
7. Helicopters

CODE FA: Fire And Allied Lines

1. Air-Supported Structures
2. Amusement Parks And Carnivals
3. Bars And Taverns
4. Developmentally Disabled Resident Services And Day Care Centers
5. Earthquake And Flood
6. Explosive Manufacturing Or Storage Or Sales
7. Fraternity Or Sorority Houses
8. Greenhouses - Wind And Hail
9. Habitational Risks
 - A. Apartments
 - B. Condominiums
 - C. Dwellings-One To Four Family
 - D. Hotels/Motels
 - E. All Other
10. Hay In Open Or Barns When Value Exceeds \$50,000 In Each Stack Or Barn
11. Heavy Equipment Dealers
12. Mattress Manufacturing
13. Municipalities
14. New Ventures
15. Nuclear Energy Property
16. Plastic Manufacturing And Sales
17. Restaurants Without Automatic Fire Suppression Systems Or That Do Not Meet NFPA 96 Standards

EXHIBIT C

The Surplus Lines Export List

18. Trade Name Restoration Or Product Contamination
19. School Districts
20. Seasonal Dwellings Or Operations In Areas Without Fire Protection
21. Used Car Dealers
22. Vacant Buildings

CODE GL: General Liability

1. Adult Day Care Centers
2. Air Meets
3. Alcohol/Drug Rehabilitation Centers/Programs
4. Amusement Parks And Carnivals (Including Rides And Devices)
5. Anhydrous Ammonia Dealers/ Haulers/ Applicators (Fertilizers/ Herbicide/ Pesticide)
6. Animal Rides
7. Automobile Parts Manufacturing
8. Automobile Wrecking Yards
9. Building Demolition
10. Building, Manufactured Housing Moving
11. Camps (Athletic, Seasonal, Rehabilitative, Social Services)
12. Child Day Care Centers
13. Collapse Hazard (XCU) Contractors
14. Crane Rental
15. Dentists
16. Detective/Private Investigation Agencies
17. Developmentally Disabled Resident And Day Care Centers
18. Dude Ranches
19. Environmental Exposures
20. Excess Limits
 - A. Following Form Excess Liability Policy
 - B. Umbrella Liability
21. Exercise/Health (Clubs/Spas/Fitness Centers)
22. Exhibitions/Concerts
23. Explosion Hazard Or Blasting (XCU) Contractors
24. Explosive Manufacturing Or Storage Or Sales
25. Fairgrounds/Fairs
26. Fire Suppression Systems And/Or Alarm Systems (Including Installation, Service, Or Repair)
27. Firearms Liability; Gunsmithing; Ammunition Reloading
28. Fraternities Or Sororities
29. Fuel Tank Testers
30. Garbage/Refuse Trucks
31. General Contractors, Developers, Paper Contractors Or Subcontractors
32. Go Cart Tracks
33. Ground Applicators (Chemical)
34. Group Homes (Premises Liability)

EXHIBIT C

The Surplus Lines Export List

35. Habitational Risks
 - A. Apartments
 - B. Condominiums
 - C. Dwellings – One to Four Family
 - D. Hotels/Motels
 - E. All Other
36. Halfway Houses
37. Heavy Equipment Dealers
38. Heavy Equipment Repair
39. Homeowners Associations (Developer Controlled)
40. Homes For The Aged, Mentally Or Physically Handicapped
41. Horse Boarding/Stables
42. Horse Drawn Carriage Rides
43. Horse Shows
44. Hospices
45. Hospitals
46. Karate, Tai-Kwon-Do And Other Defense Schools
47. Lead Paint Remediation
48. Liquefied Petroleum Dealers
49. Liquor Liability
50. Loggers Property Damage Liability
51. Mining
52. Municipalities
53. New Ventures
54. Nuclear Energy
55. Nutraceuticals/Dietary Supplements
56. Nurse Registries
57. Nursing Homes, Convalescent Homes, And Other Care Facilities For The Aged Or Infirm
58. Outfitters, Guides, And Whitewater Rafters
59. Participant Liability Exposures
60. Pawn Shops
61. Pest Control Applicators
62. Police Officers
63. Pollution/Contamination
64. Physicians and Surgeons
65. Products Recall Coverage
66. Radio And TV Broadcasters And Producers
67. Railroad Protection
68. Recreational Vehicles/All Terrain Vehicles/Boats /Jet Skies/Snowmobiles (Daily Rental)
69. Recycling Centers
70. Rental Facilities, Including, But Not Limited To, Recreational Equipment And Construction Equipment
71. Rodeos
72. Roofers
73. Sand Or Gravel Haulers
74. Schools (Private, Charter, or Public) and School Districts
75. Security Guards
76. Senior Citizen Centers
77. Shooting Ranges
78. Short Term Special Events
79. Skating Rinks (Roller, Ice, Skateboard, Or Rollerblade)
80. Snow Ski Operations
81. Spectator Liability

EXHIBIT C

The Surplus Lines Export List

82. Tanning Salons
83. Tattoo Or Body Art Parlors
84. Taverns/Bars (Including Liquor Liability)
85. Transportation Of Senior Citizens
86. Tree Trimming
87. Tunneling And Excavation
88. Underground Hazard (XCU) Contractors
89. Vacant Buildings Or Lots
90. Welding Operations (Portable)
91. Wrecking Companies And Wreckers, Towing Companies And Tow Trucks, Or Repossession Operations

CODE IM: Inland Marine

1. Boats Of All Types
2. Bridges
3. Cargo
4. Coin Dealers
5. Fine Arts Or Personal Articles Coverage (High Values Or Unusual Items)
6. Heavy Equipment Dealers
7. Jewelers Block
8. Jewelry (High Values)
9. Mining Equipment
10. Tunneling Equipment
11. Water Pumping Equipment (Electrical/Agricultural)

CODE MS: Miscellaneous Special Lines

1. Asbestos (All Coverages)
2. Difference In Conditions
3. Hole-In-One Insurance
4. International Exposures
5. Kidnap And Ransom Coverage
6. Mortality (Livestock And Pets)
7. Patent, Copyright Or Trademark Infringement
8. Rain (Indemnification For Canceled Event Due To Rain)
9. Short Term Events

CODE PROD: Products

1. Aircraft And Parts Manufacturing
2. Ammunition Reloading And Firearms
3. Amusement Rides/Devices (Manufacturing, Installation, Repair)
4. Automobile And Automobile Parts Manufacturing
5. Discontinued Products
6. Explosive Manufacturing
7. Fuel Tank Testers
8. Heavy Equipment Manufacturing/Repair
9. Medical Equipment
10. Monoline Product Liability

EXHIBIT C

The Surplus Lines Export List

11. New Products Liability
12. Nutraceuticals/ Dietary Supplements
13. Pest Control Applicators
14. Pharmaceutical Manufacturers And Distributors
15. Plastic Manufacturing
16. Playground Equipment (Manufacturing, Installation, Repair)
17. Roofers
18. Sporting Goods Manufacturing
19. Tire Recapping
20. Tobacco Related Products
21. Toy Manufacturing

CODE PL Professional Liability And Malpractice (Including Errors And Omissions)

1. Accountants
2. Actuaries
3. Adult Day Care Or Home Health Care
4. Ambulance Personnel Or Others Providing Emergency Medical Treatment
5. Architects
6. Blood/Plasma Banks
7. Charter Schools
8. Clinical Laboratories
9. Collection For Drug Testing
10. Computer Consultants
11. Counseling Programs
12. Drug Testing Laboratories
13. Employment Practices Liability
14. Engineers And Architects
15. Environmental Consultants
16. Foster Care Agencies
17. Halfway Houses
18. Healing Arts/Alternative Medicine
19. Investment Advisors
20. Lawyers Professional Liability
21. Medical Labs/Blood Labs
22. Medical Malpractice Liability
 - A. Chiropractors
 - B. Dentists
 - C. Hospitals
 - D. Nurses
 - E. Physicians & Surgeons
 - F. All Other
23. Midwives
24. Nurse Registries
25. Nursing Homes/Convalescent Homes
 - A. Skilled Or Intermediate Care Facilities
 - B. Assisted Living Facilities With On Premises Care
 - C. Rest Homes With Health Care
 - D. Personal Care Facilities Or Residential Homes With Skilled Care Or Other Health Care Including Adult Foster Homes
 - E. Continuing Care Retirement Communities With A Nursing Home On Campus
 - F. Convalescent Homes With Continuous Nursing Or Other Medical Care

EXHIBIT C

The Surplus Lines Export List

- G. Any Other Adult Extended Care Facility That Provides Nursing Or Other Medical Care
- 26. Officers And Directors And Public Officials
- 27. Property Management
- 28. Psychologists/Sociologists/Counselors
- 29. Real Estate Agents
- 30. Real Estate Appraisers
- 31. Residential Home Inspectors
- 32. Risk Managers
- 33. School Board Legal Liability
- 34. Social Services Agencies
- 35. Surveyors
- 36. X-Ray Specialists/Technicians